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*Attorneys for KTR Ohio LLC*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
<b>In re</b>	: <b>Chapter 11</b>
	:
<b>SEARS HOLDINGS CORPORATION, et al.,</b>	: <b>Case No. 18-23538 (RDD)</b>
	:
	: <b>(Jointly Administered)</b>
<b>Debtors.<sup>1</sup></b>	:
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**OBJECTION OF KTR OHIO LLC TO THIRD SUPPLEMENTAL  
NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND  
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED  
LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

KTR Ohio LLC ("Landlord"), by and through its undersigned counsel, hereby objects to the *Third Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* [ECF No. 2753] (the "Third Supplemental Cure Notice"). In support of this Objection, Landlord respectfully represents as follows:

**FACTUAL AND PROCEDURAL BACKGROUND**

1. On or about October 15, 2018 (the "Petition Date"), Sears Holdings Corporation and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Court").

2. The Debtor continues to operate as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. Landlord, as landlord, and co-debtor Sears Roebuck and Co., as tenant ("Tenant"), are parties to that certain Lease dated as of August 14, 2008 and subsequently amended pursuant to that First Amendment to Lease dated March 13, 2013 (collectively, the "Lease") for the lease of approximately 358,760 square feet in a building located at 5764 Green Pointe Dr., Groveport, Ohio (the "Premises").

4. On March 5, 2019, the Debtors filed the Third Supplemental Cure Notice, which identifies the Lease as a lease that may be assumed and assigned in connection with the Global Asset Sale Transaction (as defined in the Third Supplemental Cure Notice). The Third Supplemental Cure Notice erroneously identified Kmart Corporation as the tenant occupying the Premises pursuant to the Lease.

5. Additional information relevant to the Lease provided in the Third Supplemental Cure Notice is as follows:

<b>Debtor Name</b>	<b>Landlord Entity</b>	<b>Lease Expiration Date</b>	<b>Property Address</b>	<b>Contract No.</b>	<b>No. on Exhibit B-1</b>	<b>Cure Amount</b>
Kmart Corporation	KTR Ohio, LLC	12/31/2023	5765 Green Pointe Drive, Groveport, OH 43125	30962	17	\$ --

**OBJECTION AND RESERVATION OF RIGHTS**

6. For the reasons set forth more fully herein, Landlord (1) objects to the Cure Amount identified in the Third Supplemental Cure Notice and (2) seeks to correct the Debtor identified as the tenant at the Premises.

7. Landlord objects to the Third Amended Cure Notice because the Cure Amount reflected therein is incorrect. Based upon Landlord's books and records, and net of credits owed to Tenant under the Lease, the amount owed to Landlord as of the Petition Date is \$31,452.00. Any cure for the Premises must be in the amount of no less than \$31,452.00.

8. Landlord also objects to the Third Amended Cure Notice because the incorrect Debtor is identified as the tenant of the Premises.

9. Landlord reserves the right to supplement or amend this Objection based upon information acquired by Landlord subsequent to its filing. Landlord also reserves the right to object to adequate assurance information when such information is made available, to exercise all available remedies under the Lease to obtain possession of the Premises (subject to any applicable procedural limitations imposed by the Bankruptcy Code and Rules), and to assert claims against the Debtors (including, but not limited to, administrative expense claims under sections 365(d)(3) and/or 503(b) of the Bankruptcy Code) at the appropriate time.

**CONCLUSION**

10. WHEREFORE, for the reasons set forth above, Landlord respectfully requests that the Court enter an order consistent with this Objection and grant such other and further relief as is just and equitable.

Dated: Florham Park, New Jersey  
March 13, 2019

Respectfully submitted,

By: /s/ Marita S. Erbeck  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on March 13, 2019, a true and correct copy of the foregoing *Objection of KTR Ohio LLC to the Third Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* was served (i) electronically on those parties registered to receive electronic notice via the Court's CM/ECF system in these cases and (ii) via the means indicated on the following parties:

Sears Holdings Corporation  
3333 Beverly Road  
Hoffman Estates, Illinois 60179  
Attn: Rob Riecker, Luke J. Valentino and  
Moshin Meghji  
E-mail: [rob.riecker@searshc.com](mailto:rob.riecker@searshc.com);  
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***VIA E-MAIL***

Lazard Freres & Co., LLC  
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Attn: Brandon Aebersold and Levi  
Quaintance  
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***VIA E-MAIL***

Office of the United States Trustee  
for Region 2  
201 Varick Street, Suite 1006  
New York, New York 10014  
Attn: Paul Schwartzberg, Esq.

***VIA FIRST CLASS U.S. MAIL***

Transform Holdco, LLC  
c/o ESL Partners, Inc.  
Attention: Kunal S. Kamalani and Harold  
Talisman  
1170 Kane Concourse, Suite 200  
Bay Harbor Islands, Florida 33154

***VIA FIRST CLASS U.S. MAIL***

/s/ Marita S. Erbeck  
Marita S. Erbeck